



STATE OF CALIFORNIA
Department of Transportation

STATEMENTS OF QUALIFICATIONS SUBMITTAL INSTRUCTIONS
AND
GENERAL CONTRACT PROCESS INFORMATION

Note: Address all questions concerning the Request for Qualifications (RFQ) in writing to the attention of the contract analyst named in the RFQ. Consultants contacting the District or Division directly seeking information about the RFQ may jeopardize the integrity of the selection process and risk possible disqualification.

On 06/27/08, this document was revised to include the requirements on submitting the Indirect Cost Rate (ICR) package with the Statements of Qualifications.

I. REQUIREMENTS FOR STATEMENTS OF QUALIFICATIONS (SOQs)

A. SOQs must be in the following format:

1. SOQs to be bound on 11" side - binding style to be determined by submitter.
2. Paper size to be 8-1/2" x 11" (except the organizational chart).
3. Font size used for all documents (except the organizational chart) to be a minimum of 8 point.

B. SOQs are to be tabbed and labeled into four (4) sections and shall contain the following information:

Section 1 - TRANSMITTAL LETTERS/GOAL DOCUMENTATION

- A. The prime consultant transmittal letter is limited to three (3) pages. Please list all subconsultants and provide the percentage (best estimate) of utilization for each firm. An individual authorized to obligate the firm or joint venture must sign the prime's transmittal letter. The signatures affixed to and dated on the prime and subconsultant transmittal letters shall constitute a certification under penalty of perjury under the laws of the State of California that the proposer has, unless exempted, complied with State nondiscrimination program requirements (see Nondiscrimination under Section III Miscellaneous).
- B. Each subconsultant transmittal letter is limited to one (1) page. The subconsultant shall state its commitment to the prime consultant's firm, indicating the specific portion of the work to be performed by its firm. The person signing the transmittal letter must be authorized to obligate the subconsultant's firm.
- C. The prime consultant shall provide a contact name, email address, phone and fax numbers to which correspondence can be sent.

- D. Provide the following information for any former State of California, Department of Transportation employee(s) listed on the organizational chart by the prime and/or subconsultants;
- the individual's full name
 - separation date from the Department and
 - functional responsibility while with the Department (within the last 24 months of employment)

Further information concerning conflict of interest issues can be found in this document under Section III. - MISCELLANEOUS, paragraphs 8 and 9.

Paragraph E is for construction inspection services only.

- E. The prime consultant's signature affixed on the transmittal letter certifies that neither the prime consultant nor its subconsultants will engage in Construction Inspection services for the same project for which the prime consultant and/or subconsultant has performed Project Development or Project Construction Support services. List any former and/or current projects that would be directly related to the construction inspection services requested.
- F. The prime's authorized representative signature on the transmittal letter certifies that the information contained in the SOQ is truthful, accurate, and complete at time of submittal.
- G. Disabled Veteran Business Enterprise Goals (if required in RFQ)
1. Disabled Veteran Business Enterprise (DVBE) certification letter(s) issued by the certifying entity.
 2. DVBE Participation Package - will consist of one or both of the following pursuant to the revised instructions in California Disabled Veteran Business Enterprise Requirements, STD 840:
 - a) Option A – Commitment to DVBE Agreement Participation Requirement
 - b) Option B – Good Faith Effort Documentation

Section 2. - GENERAL SERVICES ADMINISTRATION STANDARD FORM SF330 – to be completed in accordance with the instructions provided with the form and shall conform to the following:

PART ONE – CONTRACT-SPECIFIC QUALIFICATIONS – Sections D – H to be divided by colored sheets.

1. Section A – Contract Information
2. Section B – Architect-Engineer Point of Contact – Prime Information
3. Section C – Proposed Team – Complete for prime consultant and all key subconsultants. List prime team members first.
4. Section D - Organizational Chart: limited to one (1) page folded to 8-1/2" x 11", not to exceed 11" x 17".
5. Section E – Resumes of Proposed Key Personnel – List no more than five (5) projects per resume, not to exceed 2 pages.
6. Section F – Example Projects for Proposed Team's Qualifications for this contract: Limit your response to ten (10) projects, one (1) project per page.
7. Section G – Key Personnel Participation in Example Projects
8. Section H - Additional Information: Prime is limited to four (4) pages and each subconsultant to two (2) pages. Subconsultants who have not previously worked with the prime may include additional project examples in this section; however, page limits still apply.

PART TWO – GENERAL QUALIFICATIONS – NOT REQUIRED.

INFORMATION FOR COMPLETING THE SF330 MAY BE DOWNLOADED FROM:
<http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=SF>

Section 3. - WORK FORCE ANALYSIS CHART

Each firm (prime and subconsultant) with 50 or more employees must provide a Work Force Analysis (example below) showing the total number and percentage of employees working in California.

Each firm (prime and subconsultant) with fewer than 50 employees must provide a statement indicating that your firm has fewer than 50 employees and is therefore exempt from the Work Force Analysis requirement.

DO NOT BREAK WORK FORCE ANALYSIS TABLE INTO TWO PARTS (KEEP ON ONE PAGE).

Work Force Analysis

	Caucasian		Black		Hispanic		Asian/ Pacific Islander		Native American/ Native Alaskan		Total Calif. Work Force	
	M	F	M	F	M	F	M	F	M	F	M	F
Executives/Managers												
Licensed Professional Engineers/Surveyors/ Architects												
Other Technical/ Professional												
Office/Clerical												
TOTAL												
PERCENT OF TOTAL												

Section 4. - Nondiscrimination Plan:

- A. Contracts solicited by the State will be awarded without discrimination. To comply with State and Federal nondiscrimination program requirements, Prime or subconsultant firms with fifty (50) or more employees shall provide a description of the firm's nondiscrimination program designed to eliminate discrimination based on race, color, religion, age, sex, sexual orientation, disability, or national origin.
- B. Each firm (prime or subconsultant) with fewer than 50 employees must provide a statement indicating that your firm has fewer than 50 employees and is therefor exempt from the Nondiscrimination Plan requirement.
- C. State nondiscrimination program requirements are found in Government Code Section 12990 and Title 2, California Code of Regulations, Division 4, Chapter 5, Sections 8103, 8104 and 8113 (unless exempted per Section 8115). For federally funded projects, nondiscrimination compliance requirements are found in Title VI of the Civil Rights Act of 1964, and the Code of Federal Regulations, 49 CFR Section 21.9.

II. GOAL PARTICIPATION

In accordance with the RFQ Notice, the following will apply:

A. DVBE GOAL PARTICIPATION (If applicable)

1. Consultants are asked to attain the required DVBE goal (or make a good faith effort to do so). The DVBE goal participation forms must accompany the consultant's SOQs. (Revised 05/01/06.)
2. The DVBE form can be downloaded from <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ Notice:
 - Documentation of Disabled Veteran Business Enterprise Program Requirements, STD 840
3. When completing the STD 840 (DVBE), the anticipated goal percentage for each firm listed must be inserted in the box labeled "Estimated \$ and/or %" and the submitting firm name and the solicitation number must be inserted on the top of each page.
4. Questions concerning DBE certification requirements and DVBE good faith effort documentation, must be addressed to:

State of California
Department of Transportation
Division of Civil Rights
1823 14th Street
Sacramento, California 95814-7189

Or you may call (1-866) 810-6346, toll free. Information regarding DBE firms certified by the Department is available via the Internet at www.dot.ca.gov/hq/bep.

6. The Department of General Services, Office of Small Business Certification and Resources provides information on the Internet regarding how to become a certified DVBE firm and also lists all certified DVBE firms at the following Internet address:
<http://www.pd.dgs.ca.gov/smbus>

B. SMALL BUSINESS PARTICIPATION GOAL

Pursuant to Governor's Executive Order D-37-01, the Department may establish a small business participation goal for this contract (see RFQ Notice). Consultants may provide, at time of award, the Small Business Questionnaire ADM 2046 form identifying all the certified small businesses to be utilized in meeting this goal. The form is available at <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ.

III. DISADVANTAGED BUSINESS ENTERPRISE INFORMATION

10/03/2006 Use this section for ALL Federally funded Agreements.

Proposers are advised that, as required by federal law, the State has established a statewide overall DBE goal. The Department is required to report to FHWA on DBE participation for all Federal-aid contracts each year so that attainment efforts may be evaluated.

1. TERMS AS USED IN THIS DOCUMENT

- The term 'Disadvantaged Business Enterprise' or 'DBE' means a for-profit small business concern as defined in Title 49, Part 26.5, Code of Federal Regulations (CFR).
- The term 'Agreement' also means 'Contract'.
- Department also means 'Department of Transportation' or 'Caltrans'.
- The term 'Small Business' or 'SB' is as defined in 49 CFR 26.65.

2. AUTHORITY AND RESPONSIBILITY

- A. DBEs and other small businesses are strongly encouraged to participate in the performance of Agreements financed in whole or in part with federal funds (See 49CFR26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs"). The Contractor should ensure that DBEs and other SBs have the opportunity to participate in the performance of the work that is the subject of this solicitation and should take all necessary and reasonable steps for this assurance. The proposer shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts.
- B. Proposers are encouraged to use services offered by financial institutions owned and controlled by DBEs.

3. SUBMISSION OF DBE INFORMATION

A Disadvantaged Business Enterprise (DBE) (ADM-0227f) form, will be included in the Agreement documents to be executed by the successful proposer. The purpose of the form is to collect data required under 49 CFR 26. Even if no DBE participation will be reported, the successful proposer must execute and return the form.

4. DBE PARTICIPATION GENERAL INFORMATION

It is the proposer's responsibility to be fully informed regarding the requirements of 49 CFR, Part 26, and the Department's DBE program developed pursuant to the regulations. Particular attention is directed to the following:

- A. A DBE must be a small business firm defined pursuant to 13CFR121 and be certified through the California Unified Certification Program (CUCP).
- B. A certified DBE may participate as a prime contractor, subcontractor, joint venture partner, as a vendor of material or supplies or as a trucking company.
- C. A DBE joint venture partner must be responsible for specific contract items of work or clearly defined portions thereof. Responsibility means actually performing, managing and supervising the work with its own forces. The DBE joint venture partner must share in the capital contribution, control, management, risks and profits of the joint venture commensurate with its ownership interest.
- D. A DBE must perform a commercially useful function, pursuant to Section 26.55, 49 CFR, Part 26, i.e., must be responsible for the execution of a distinct element of the

work and must carry out its responsibility by actually performing, managing and supervising the work.

- E. The proposer (prime contractor) shall list only one subcontractor for each portion of work as defined in their bid/proposal and all DBE subcontractors should be listed in the bid/cost proposal list of subcontractors.
- F. A prime contractor who is a certified DBE is eligible to claim all of the work in the Agreement toward the Department's assessed percent of work availability for DBEs except that portion of the work to be performed by non-DBE subcontractors.

5. RESOURCES

- A. The California Unified Certification Program (CUCP) database includes the DBEs certified from all certifying agencies participating in the CUCP. If you believe a firm is certified that cannot be located on the database, please contact the Caltrans Office of Certification toll free number 1-866-810-6346 for assistance. Proposer may call (916) 440-0539 for web or download assistance.
- B. Access the CUCP database from the Department of Transportation, Civil Rights, Business Enterprise Program web site at: <http://www.dot.ca.gov/hq/bep/>.
 - Click on the link in the left menu titled Find a Certified Firm
 - Click on Query Form link, located in the first sentence
 - Click on Certified DBE's (UCP) located on the first line in the center of the page
 - Click on Click To Access DBE Query Form
 - Searches can be performed by one or more criteria
 - Follow instructions on the screen
 - "Start Search", "Requery", "Civil Rights Home", and "Caltrans Home" links are located at the bottom of the query form
- C. How to Obtain a List of Certified DBEs without Internet Access

DBE Directory: If you do not have Internet access, Caltrans also publishes a directory of certified DBE firms extracted from the on-line database. A copy of the directory of certified DBEs may be ordered from the Caltrans' Division of Procurement and Contracts/Material and Distribution Branch/Publication Unit, 1900 Royal Oaks Drive, Sacramento, CA 95815, Telephone: (916) 445-3520.

6. WHEN REPORTING DBE PARTICIPATION, MATERIAL OR SUPPLIES PURCHASED FROM DBES MAY COUNT AS FOLLOWS:

- A. If the materials or supplies are obtained from a DBE manufacturer, 100 percent of the cost of the materials or supplies will count toward the DBE participation. A DBE manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the Agreement and of the general character described by the specifications.
- B. If the materials or supplies purchased from a DBE regular dealer, count 60 percent of the cost of the materials or supplies toward DBE goals. A DBE regular dealer is a firm that owns, operates or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the Agreement are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a DBE regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A person may be a DBE regular dealer in such bulk items as

petroleum products, steel, cement, gravel, stone or asphalt without owning, operating or maintaining a place of business provided in this section.

- C. If the person both owns and operates distribution equipment for the products, any supplementing of regular dealers' own distribution equipment shall be by a long-term lease-agreement and not an ad hoc or Agreement by Agreement basis. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not DBE regular dealers within the meaning of this section.
- D. Materials or supplies purchased from a DBE, which is neither a manufacturer nor a regular dealer, will be limited to the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on the job site, provided the fees are reasonable and not excessive as compared with fees charged for similar services.

7. WHEN REPORTING DBE PARTICIPATION, PARTICIPATION OF DBE TRUCKING COMPANIES MAY COUNT AS FOLLOWS:

- A. The DBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible.
- B. The DBE must itself own and operate at least one fully licensed, insured and operational truck used on the Agreement.
- C. The DBE receives credit for the total value of the transportation services it provides on the Agreement using trucks it owns, insures, and operates using drivers it employs.
- D. The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the Agreement.
- E. The DBE may also lease trucks from a non-DBE firm, including an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The DBE does not receive credit for the total value of the transportation services provided by the lessee, since these services are not provided by the DBE.
- F. For the purposes of this section D, a lease must indicate that the DBE has exclusive use and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, as long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.

IV. COGNIZANT AGENCY AUDIT PROGRAM

NOTE: The following provisions apply to prime consultants only.

A. Indirect Cost Rate (ICR) Package—General Information

Each firm must submit an ICR with the SOQ. All ICR documents may be downloaded at <http://caltrans-opac.ca.gov/aeinfo.htm>. The package will include:

- Certified Public Accountant (CPA)-audited ICR(s) for the most recent completed fiscal year
- Consultant questionnaire and attachments
- CPA questionnaire and attachments
- Other required documents

Failure to submit a fully completed ICR package will disqualify firms from the selection process. After approval by Caltrans Audits and Investigations, the ICR will remain in effect for the duration of the contract term.

B. Criteria for Submitting ICR Documents

1. A&E contracts totaling \$1 million or more.
2. Firms whose A&E contracts with Caltrans plus amount of contract award through this RFQ totaling \$1 million or more in the aggregate.
3. For A&E contracts totaling less than \$1 million, or for firms whose contracts do not meet the threshold of B(2), above, the firms should submit the consultant questionnaire only.
4. Regardless of the dollar thresholds shown in B(1) and B(2), above, prime consultants and subconsultants with an in-state or out-of-state approved ICR must submit the concurrence/approval documentation provided by the consultant's Home State DOT. The approved or adjusted ICR will be used for this contract.

C. IMPLEMENTATION Schedule And Submittal Requirements

1. July 1, 2008 to December 31, 2008

This period is the implementation phase of the ICR requirements. Firms have until January 1, 2009, to complete the CPA audit and required documentation. Firms that have not completed the process may do so during this period and will be allowed to compete in the Caltrans A&E contract process. The following are applicable during this period.

- Prime consultants and subconsultants with an in-state or out-of-state approved ICR must submit the concurrence/approval documentation provided by the Home State DOT and no other documents will be required. The approved or adjusted ICR will be the rate(s) used in the contract in the consultant's budget for indirect costs.
- Firms without an approved ICR should submit an ICR package with their SOQ.

2. January 1, 2009 and thereafter

Firms that meet the criterion shown in IV(B) above must submit the ICR package with their SOQ.

D. REQUIREMENTS FOR INDIRECT COST RATE (ICR) PACKAGE

1. ICR package must be submitted in the following format:
 - a. Bind ICR package on 11" side – any binding style that allows the document to lay flat when opened.
 - b. Use 8-1/2" x 11" size paper.
 - c. Use minimum 8-point size font.
2. Tab and label ICR package into five (5) sections as described below. All documents may be downloaded from <http://caltrans-opac.ca.gov/aeinfo.htm>.

Section 1 – TRANSMITTAL LETTER/CERTIFICATION FOR COMPLETE SUBMITTAL PACKAGE

Prepare Certification for Complete Submittal Package on company letterhead. An individual authorized to obligate the firm or joint venture must sign the prime consultant's transmittal letter. The signatures affixed to and dated on the transmittal letter shall constitute a certification that the proposer has submitted all of the required documents.

Section 2 – AUDITED INDIRECT COST RATE(S)

1. A CPA shall compute and audit an indirect cost rate for the most recent completed fiscal year.
2. For assistance in calculating field office indirect rates, refer to Chapter 4 of "Uniform Audit and Accounting Guide," prepared by the American Association of State Highway and Transportation Officials (AASHTO). The guide can be found at the AASHTO home page: <http://audit.transportation.org>.

Section 3 – CONSULTANT AUDIT QUESTIONNAIRE

Ensure that all blanks are completed and that required attachments are included with the questionnaire. If one or more questions are not applicable, indicate so by typing "N/A"; otherwise, the submittal will be considered non-responsive.

Section 4 – CPA QUESTIONNAIRE

Ensure that all blanks are completed and that required attachments are included with the questionnaire. If one or more questions are not applicable, indicate so by typing "N/A"; otherwise, the submittal will be considered non-responsive.

Section 5 – LETTER OF AUTHORIZATION TO CALTRANS AUDITS AND INVESTIGATIONS TO REVIEW THE CPA'S WORKING PAPERS AS PART OF THE COGNIZANT APPROVAL PROCESS.

Note: If Consultant's Home State DOT is not Caltrans, Consultant may submit its Home State DOT Cognizant Agency approval letter in place of the CPA Questionnaire and Letter of Authorization.

V. MISCELLANEOUS

A. Modification or Withdrawal of Submittals

Any SOQ received may be withdrawn or modified prior to the SOQ submittal date by written request to the Department by the prime consultant.

B. Property Rights

SOQs and ICR packages received become the property of the State of California, Department of Transportation.

C. Confidentiality

1. Before award of the contract, all SOQs will be designated confidential. After award of the contract all SOQs become public record. Contracts are considered awarded after they are fully executed by both parties. Any language purporting to render any portion of the SOQ to be excluded from public review will be regarded as non-effective and will be disregarded.

2. All ICR packages will be designated CONFIDENTIAL.

D. Addendum to Request for Qualifications/Proposal

The Department reserves the right to amend the RFQ Notice by addendum before the final SOQ submittal date.

E. Non-Commitment of the Department

1. This RFQ does not commit the Department to award a contract, to pay any costs incurred in the preparation of an SOQ for this request, or to procure or contract for services.

2. All products used or developed in the execution of any contract resulting from this RFQ will remain in the public domain at the completion of the contract.

F. Americans with Disabilities Act

The consultant shall assure the Department that it will comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. Section 12101 et seq.).

G. Conflict of Interest Concerning Consultant(s)

Prospective consultants shall disclose any financial, business or other relationship with the State of California, especially the Department of Transportation, or the California Transportation Commission, that may have an impact upon the outcome of this contract. Prospective consultants shall also list current clients who may have a financial interest in the outcome of this contract.

H. Conflict of Interest Concerning Former State of California, Department of Transportation Employees

1. Government Code 87406 (a) prohibits a former State officer or employee from entering into a contract with any State agency if,
 - He or she was a designated employee by the same State agency in a position in the same subject area (s) as the proposed contract within the 12-month period prior to his or her separation.
2. Representation includes any formal or informal appearance, or oral or written communication to the Department or to any of its officers or employees. This would include participation at presentations or interviews, attendance at scoping meetings, participation in negotiations and direct involvement in cost proposal and audit activities. See Government Code Section 87406 subparagraph(d) subpart(1).
3. The categories of former Department employees to whom the prohibition applies are any one or more of the following:
 - a) A "Designated employee" as defined in Government Code Section 82019, to include any officer or employee whose position with the department:
 - i) Was exempt from the State Civil Service System.
 - ii) Involved the employee in the functions of:
 - Negotiating or signing any competitively awarded contract.
 - Decision making in conjunction with the competitive award process.
 - Decisions making on Emergency Force Account contracts awarded under Public Contract Code Section 10122.
4. Former Department employees, including former retired annuitants, proposed in the SOQ who meet the criteria above will not be allowed to participate as a proposed team member for this contract.
5. Violation by consultant(s) of any provisions found in the paragraphs above, shall render every contract or other transaction entered into void unless the violation is technical or non-substantive.

Information regarding conflict of interest as stated in above referenced Government Codes may be viewed by visiting the web site: <http://www.leginfo.ca.gov/calaw.html>.

I. References

The Department reserves the right to check references not only for those stated in the SOQ but also references from the Department's consultant evaluation reports. Reference information provided in the SOQ found to be in error may be reflected as a reduction in your evaluation score.

V. GENERAL CONTRACT PROCESS INFORMATION

A. CONSULTANT SELECTION AND CONTRACT NEGOTIATIONS

1. The consultants will be selected by means of a dual selection process (evaluation of SOQs followed by an interview of those short-listed).
2. The criteria in ADM 2027 is the basis for the initial evaluation, scoring and ranking of consultant's SOQs to establish a short-list of firms to be interviewed. The ADM 2027 is available at: <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ Notice.
3. Those consultants evaluated by a selection committee, and judged to be the best qualified to undertake the services, based upon the combined scores and ranking of the SOQs, will be interviewed and again scored and ranked by the selection committee.
The criteria in ADM 2028 is the basis for the evaluation, scoring and ranking of consultants interviewed. The ADM 2028 is available at: <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ Notice.
4. The contract will be negotiated pursuant to Section 4528 of the California Government Code. A contract with fixed rates of compensation for specific persons and classifications will be negotiated with the top-ranked consultant in accordance with Government Code Section 4528. If agreement cannot be reached with the top ranked consultant, negotiations will be terminated and negotiations started with the next-ranked consultant for the contract. The Department reserves the right to negotiate a firm-fixed-price contract or a combination of specific rates of compensation for a specific phase of the project and firm-fixed-price for another phase. The Department also reserves the right to entertain firm-fixed-price task orders or fixed rates of compensation, an actual plus direct costs, for any contract when the Department's contract manager deems appropriate. Firm-fixed-price task orders may be negotiated for work resulting from this solicitation.
5. If the consultant is a corporation, the consultant must certify that the corporation is in good standing to do business in California. Pursuant to Revenue and Taxation Code 23101, "Doing business means actively engaging in any transaction for the purpose of financial or pecuniary gain or profit."
6. If the consultant is selected for the contract and found to have an invalid corporate status with the California Secretary of State's Office, the contract will be voided unless the consultant can provide validity of corporate status within five (5) working days of notification of intent to cancel.
7. The consultant finally selected must comply with Government Code Section 8355 in matters relating to providing a drug-free work place.
8. All work shall be done in accordance with State standards, policies, procedures, regulations and laws.
9. A sealed cost proposal will be required of each short-listed consultant to be interviewed for any contract. All the necessary forms and instructions will be provided to the short-listed consultants with the interview notification correspondence. Only the cost proposal of the proposed awardee will be opened. All unopened cost proposals will be returned at the conclusion of the award process.
10. If review of the ICR package cannot be completed within a timeframe to allow timely execution of the contract, a provisional ICR will be established.

11. A cost proposal will not be requested if the contract is a project-specific contract until after a consultant is interviewed and selected.

B. AUDIT REQUIREMENT

Pre-award Audit

1. A Pre-award Audit may be performed prior to award of a contract. The Pre-award Audit will be conducted in accordance with generally accepted government auditing standards as promulgated by the United States General Accounting Office.
2. The scope of the audit will consist of such tests as the auditors consider necessary to assure that the Consultant satisfactorily meets the requirements outlined in items a-c below prior to execution of the contract.
 - a. At the time of the Pre-award Audit, the prospective Consultant must demonstrate through actual historical data that its accounting system is capable of accumulating and segregating reasonable, allowable and allocable costs. For new businesses, if actual historical data is unavailable or the accounting system is newly implemented, the system will be tested to determine whether the accounting system is adequate and, if necessary, recommend that an interim audit be performed. At a minimum, the Consultant must have an accounting system that meets the following objectives:
 - i) The ability to record and report financial data in accordance with generally accepted accounting principles and the Code of Federal Regulations, Title 48, Federal Acquisition Regulations System (FAR), Chapter 1, Part 31.
 - ii) The ability to accumulate and segregate reasonable, allowable and allocable costs through the use of a cost accounting system.
 - iii) A system of record keeping to ensure the costs billed to the Department will be supported by adequate documentation and will be in compliance with the terms of the contract and applicable Federal and State regulations.
 - iv) Procedures to retain accounting records and source documentation as required by the terms of the contract.
 - v) A system of internal control which provides reasonable assurance that assets are protected; financial data, records and statements are reliable, and errors and irregularities are promptly discovered, reported and corrected.
 - b. The prospective Consultant must be financially capable of performing the work.
 - c. The costs proposed must be fair and reasonable.

Additional information regarding the accounting and audit guidelines for contracts with the Department is available on the Internet at: <http://caltrans-opac.ca.gov/aeinfo.htm>

Post-award Audit

1. A post-award audit may be performed after the contract is fully executed. The post-award audit will be conducted in accordance with generally accepted government auditing standards as promulgated by the United States General Accounting Office.

2. The consultant awarded the contract agrees that any audit recommendations regarding contract amount, the consultant's cost proposal or individual items of cost, at the Department's sole discretion, may be incorporated into the contract.
3. The rates included in the consultant's cost proposal, after the post-award audit recommendations are incorporated, shall remain in effect for the duration of the contract.
4. Refusal by the consultant to concur with the adjusted rates recommended in the post-award audit finding may result in contract termination.
5. The scope of the audit will consist of such tests as the auditors consider necessary to assure that the consultant satisfactorily meets the requirements outlined in items a-c below prior to execution of the contract.
 - a. At the time of the post-award audit, the prospective consultant must demonstrate through actual historical data that its accounting system is capable of accumulating and segregating reasonable, allowable and allocable costs. For new businesses, if actual historical data is unavailable or the accounting system is newly implemented, the system will be tested to determine whether the accounting system is adequate and, if necessary, recommend that an interim audit be performed. At a minimum, the consultant must have an accounting system that meets the following objectives:
 - The ability to record and report financial data in accordance with generally accepted accounting principles and the Federal Acquisition Regulations System (FAR) at 48 FAR 31.201-6.
 - The ability to accumulate and segregate reasonable, allowable and allocable costs through the use of a cost accounting system.
 - A system of record keeping to ensure the costs billed to the Department will be supported by adequate documentation and will be in compliance with the terms of the contract and applicable Federal and State regulations.
 - Procedures to retain accounting records and source documentation as required by the terms of the contract.
 - A system of internal control that provides reasonable assurance that assets are protected; financial data, records and statements are reliable, and errors and irregularities are promptly discovered, reported and corrected.
 - b. The prospective consultant must be financially capable of performing the work.
 - c. The costs proposed must be fair and reasonable.

Additional information regarding the Accounting and Audit guidelines for contracts with the Department is available on the Internet at: <http://caltrans-opac.ca.gov/aeinfo.htm>.

C. Notification of Award

All consultants that participate in this process will be notified of the final selection.

D. Business License

Consultant firms are not required to obtain a business license until the time of contract signing.